EXHIBIT
Π'S NO. 1
9/21/04

BULKMATIC
Quality Driven

LEASE AGREEMENT

This Agreement, made and entered into by and between John A. Smith, the owner (hereinafter called "LESSOR"), and Bulkmatic Transport Company, an Illinois Corporation, with principal offices in Griffith, Indiana (hereinafter called "LESSEE).

WITNESSETH

A. **Identification of Equipment:**

1. For and in consideration of the mutual covenants and agreements hereinafter contained, LESSOR does hereby lease to LESSEE the following described motor vehicle(s) equipment, with or without driver:

Unit No.	Serial No.	Make	Year
2856	1XKWDB9X9WJ773583	Kenworth	1998

B. **Duration of Lease:**

Subject to paragraph M below, the term of this Agreement shall be for 36 months beginning September 4, 2001 and ending September 4, 2004. This Lease Agreement shall automatically renew itself for additional periods of thirty (30) days at the end of its term, unless canceled by either party by a written notice to the other.

C. **Exclusive Possession and Responsibility:**

1. LESSEE will use said equipment in its service under its various Certificates of Convenience and Necessity, operating authorities, and the like, which it now holds or may subsequently acquire. Any such equipment furnished to LESSEE shall be exclusively possessed and controlled by LESSEE and used in the business of LESSEE. LESSEE shall be responsible for the operation of such equipment.

2. LESSOR agrees that while this Agreement is in force and effect the equipment which is the subject of this Lease will not be the subject of any other lease or agreement, and will not be used by LESSOR or any other person whatsoever to transport freight for any other person, firm or corporation other than LESSEE, except under LESSEE's order and direction, or except with the prior written consent of the LESSEE. LESSOR

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EXHIBIT B

agrees to reimburse and otherwise indemnify LESSEE and hold LESSEE harmless for all losses sustained and all cost incurred by LESSEE resulting from the use and operation of the equipment to transport the traffic or freight of third parties, including but not limited to any claims, demands, actions, judgments, damages, loss or expenses relating to; the cargo transported on equipment, the death or bodily injury to any person or persons or damage to any property resulting from the use and operation of the equipment; or any action brought or asserted against LESSEE by reason of any employer's liability arising out of the use and operation of the equipment under this Agreement. LESSOR authorizes LESSEE to deduct from its compensation any losses or reasonably anticipated losses pursuant to this paragraph.

3. LESSEE agrees that before taking possession of the equipment, the same will be inspected by one of its responsible and competent employees, and the inspection report will be certified in accordance with the rules of all known regulatory bodies having jurisdiction.

4. LESSOR is an independent contractor, and as such shall be responsible for all workers' compensation injury by LESSOR, or any employee of LESSOR. LESSOR agrees to hold harmless LESSEE from and against any and all workers' compensation claims and expense for injuries to LESSOR or any employee of LESSOR arising out of the work performed for or on behalf of LESSEE under this lease.

D. **Compensation**

1. Subject to the provisions of any addendum attached hereto and made a part hereof, LESSEE shall pay to LESSOR for the use of said equipment and driver, or for equipment alone, if no driver is being leased, as follows:

   65.5% of gross revenue

2. Payment Period:

   a. LESSEE agrees to pay LESSOR said net earnings (less deductions, if any) no later than fifteen (15) days after LESSOR has submitted the necessary delivery documents.

   b. The delivery documents and other paperwork which must be submitted before LESSOR can receive payments are as follows:
      - Bill of lading, signed by consignee.
      - Freight bill.
      - Log for period covering trip.
      - D.O.T. inspection reports completed and received by the second Wednesday of each month.

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- Detention ticket signed by consignee and filled out with cause of delay and specific times in and out.
- Detention ticket with authority to unload section signed and dated.

3. Assurance of Rates:

a. LESSOR has the right to examine copies of LESSEE's tariffs at any time during normal business hours.

b. LESSEE shall provide LESSOR with a computerized report verifying rates, gross revenues, and loads used to compute payments to LESSOR hereunder. In addition, LESSEE shall furnish to LESSOR a copy of the rated freight bill upon request.

c. With respect to truck earning. LESSEE shall furnish weekly to LESSOR a cartage sheet which itemizes the total earnings, expenses and deductions.

E. **LESSOR's Responsibilities:**

1. Expenses:

LESSOR agrees to pay all of the operating expenses of the above equipment, including but not limited to:

- All equipment repairs including its blower repairs.
- All replacement tires and tire repairs.
- All fuel consumed.
- All fuel taxes incurred (see paragraph K below).
- All empty miles.
- All license fees and their unused portions.
- All permit fees and their unused portions.
- All tolls and ferries.
- All fines for violations of the law.
- All physical damage insurance to LESSOR's tractor.
- All bobtail insurance on LESSOR's tractor.
- All painting when necessary.
- All detention and accessorial charges.
- All base plates and their unused portions.
- All monthly D.O.T. inspection charges when performed at a qualified repair shop other than a Bulkmatic shop.

2. Maintenance:

LESSOR agrees that at all times during the continuance of this Agreement he will keep the equipment which is the subject of this lease in first class mechanical and operating condition and in good repair. In this connection, LESSOR further agrees to do any and all preventive maintenance, including oil change and grease, as may be required, but in no event shall said preventive maintenance be less than the standard maintenance programs and provisions for, and maintained by LESSEE for its own equipment. LESSOR shall also keep and maintain the equipment in full compliance with the Safety Regulations of the State of Illinois Commerce Commission, the U.S. Department of Transportation, and any other governmental body with jurisdiction.

3. Load Selection:

LESSOR further agrees that LESSOR shall perform any and all work assigned to LESSOR by LESSEE's dispatcher and shall not refuse loads. In this connection LESSEE shall make every effort to assign work on the most equitable basis possible in order to make for fair distribution of earnings. In the event of any attempts or acts on the part of LESSOR for the purpose of seeking or securing preferential treatment in starting times or dispatching, LESSEE shall have the right to immediately terminate this lease agreement with LESSOR. It is further understood that this lease does not require the assignment of any particular load, run, or trip to LESSOR. It shall be LESSOR's responsibility to load and/or unload trailers, as LESSEE may require.

4. Work Rules:

LESSOR shall, during the term hereof, follow all LESSEE's company work rules, and shall so conduct himself with customers or shippers as to reflect credit upon LESSEE's service and its relationship with the shipping public. LESSOR further agrees that all freight assigned to LESSOR will be delivered as quickly and expeditiously as possible with safety.

5. Safety:

LESSOR agrees to comply or cause compliance with all of the safety rules required by LESSEE, and to comply with all rules and regulations of the State or Federal Interstate Commerce Commission, the State or Federal Department of Transportation, or any other regulatory body with jurisdiction, in connection with the operation of said equipment.

6. Driver Qualification:

It is agreed that the driver who operates the equipment shall be qualified and competent, will be required to meet all of the rules of service of drivers, inspection and maintenance, furnishing of a certificate of physical examination, and will be further required to comply as to qualifications, training program and safety rules of LESSEE and any State, Federal, or local regulatory body with jurisdiction. All records pertaining thereto will be kept by LESSEE in accordance with said regulations.

7. Insurance:

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LESSOR shall maintain full collision coverage on the tractor equipment with a deductible not to exceed $1,000.00. Said collision coverage must include bobtail liability coverage. LESSEE shall have the right to require bobtail liability and/or physical damage coverage to be purchased from their liability carrier if carrier so requires. LESSEE shall be named insured and LESSOR shall, prior to commencement of work, deliver policies or certificates of insurance to LESSEE indicating such coverage.

F. **Charge-Back Items:**

LESSOR hereby authorizes LESSEE to deduct from LESSOR's cartage checks covering truck earnings any sums of money that shall be due and owing to LESSEE from LESSOR. The items which may be unilaterally deducted from the LESSOR's settlement check, having been initially paid for by LESSEE and/or its affiliated companies, are as follows, provided that a written explanation and itemization be delivered to LESSOR before any deductions are made:

1. Up to $1,000.00 for:
   - Any loss or damage to trailer equipment, or tractor equipment if purchased on contract, which is not compensated by insurance coverage if said loss or damage results from LESSOR's negligence or willful abuse of the equipment; LESSEE will provide LESSOR with a written explanation and itemized breakdown of expenses for every deduction.
   - Preventable contamination or preventable spill. LESSEE will provide LESSOR with a written explanation and itemized breakdown of expenses for every such deduction.
   - LESSEE's liability insurance deductible, with a written explanation and itemized breakdown of expenses.

2. Advances:
   - Total cash advanced.
   - Interest rate.
   - Loan fee.
   - Terms of loan (advance): N/A.
   - Weekly installments to be deducted: N/A.

3. Maintenance and repair.

4. Fuel purchases.

5. Tire purchases.

6. Preload charges.

7. Delivery charges.

8. Plug-ins for engine heaters.

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9. Extraordinary legal and/or tariff costs attached to a specific haul.

10. License purchase.

11. Physical damage insurance, based upon premiums applicable to the equipment.

12. Bobtail insurance, based upon premiums applicable to the equipment.

13. Highway and State Highway Use Taxes.

14. State Franchise stickers.

15. Taxes on LESSOR's purchases of fuel (other than from LESSEE) to the extent such taxes may be assessed against LESSEE; fuel tax administration charges from LESSEE (see paragraph K below).

G. **LESSEE's Responsibilities:**

1. Insurance:
   - LESSEE recognizes its legal obligation to maintain insurance for protection of the public pursuant to ICC Regulation 49USC10927.
   - LESSEE shall provide the following insurance coverage:
     * Public liability in accordance with the provisions set forth in sections C.2 and E.7 of this agreement.
     * Physical damage of LESSEE's trailers and tractors titled by LESSEE.
     * Cargo.
     * $5,000,000.00 umbrella liability coverage.
   - Notwithstanding that LESSEE is required to be in exclusive possession and control of the equipment insofar as the shippers, the public and Interstate Commerce Commission are concerned, nevertheless it is understood that LESSOR will be in physical possession and control as between the parties hereto, and LESSOR therefore agrees to be fully responsible for the safekeeping of the equipment, and LESSEE shall not in any way be liable for fire or theft loss to the equipment.
   - There shall be a $1,000.00 deductible before LESSOR can use any coverage under LESSEE's policy of insurance.
   - This coverage will be available to LESSOR as long as LESSOR maintains a good safety record.
   - If LESSOR buys any insurance coverage for the operation of leased equipment from LESSEE:
     a. LESSEE will provide LESSOR with each policy upon request.
     b. LESSEE will provide LESSOR with a certificate of insurance for each such policy.

2. Products, Equipment or Services from LESSEE:

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- LESSOR may be required to purchase or rent products, equipment, or services from LESSEE.
- Should LESSOR rent or purchase products, equipment, or services from LESSEE, LESSEE may reimburse itself from any funds due herein.

H. **Escrow Fund:**

Should an escrow fund be required, an addendum shall be completed which specifies the details of the arrangement.

I. **Lease Relation to Purchase and Sale Agreement:**

The terms, conditions, and obligations herein set forth in this Agreement shall be considered as part of the purchase and sale agreement of even date made and entered into between the parties hereto, if any, and in the event of violation of any of the terms and conditions herein or upon termination of LESSOR's employment by LESSEE for any reason, LESSEE shall have the right to terminate this Agreement and also the purchase and sale agreement of even date upon given ten (10) days written notice to LESSOR. If LESSOR shall cure all such violations (if such be the sole cause of LESSEE's right to terminate this Agreement and the purchase agreement) within said ten (10) day period, then the lease and purchase agreement shall remain in full force and effect. In the event said lease and purchase agreement be terminated by LESSEE in accordance with the terms hereof, LESSOR shall immediately return and deliver said lease equipment and vehicle to LESSEE and LESSEE shall be entitled to take and have immediate possession of said lease equipment, and further, in the event such termination is by reason of violations by LESSOR, all sums paid to LESSEE in accordance with the purchase agreement shall be and remain the property of LESSEE as and for liquidated damages. It is further agreed, however, that in the event of termination by LESSEE, if LESSOR shall, within thirty (30) days after the date of notice of termination tender and pay to LESSEE any and all sums due to LESSEE (including interest) on account of the purchase price for equipment which is the subject of the purchase agreement, then at the time of said payment in full, LESSEE shall deliver title to and possession of said equipment to LESSOR.

J. **Sub-Leasing:**

LESSEE may sub-lease the equipment which is the subject of this Agreement whenever permitted by applicable laws and regulations and LESSEE shall be considered to be the owner of said equipment for the purpose of any such sub-leasing. Neither party may assign this Agreement.

K. **Fuel Tax Reporting:**

LESSOR recognizes his obligation to pay all taxes associated with the purchase of fuel for the leased equipment, and to file fuel tax returns with appropriate authorities under some circumstances. LESSOR acknowledges further that LESSEE may be held liable for payment of such taxes in the event LESSOR fails to satisfy governmentally imposed requirements concerning fuel tax payment and reporting. In order to cooperate with LESSEE and to insure compliance with applicable laws and regulations in this regard, LESSOR agrees to the following:

- LESSOR will promptly submit appropriate receipts of all fuel purchases to LESSEE (except for fuel purchases from LESSEE), and mileage information as required, in accordance with LESSEE's procedures.
- LESSEE will include such receipts in preparing its fuel tax returns, in paying additional fuel taxes, and in obtaining fuel tax refunds, in connection with LESSEE's own equipment.
- All additional fuel tax payments will be made by LESSEE and all refunds collected by LESSEE on its own account.
- LESSOR shall reimburse LESSEE the amount of $10.00 per month for this service rendered by LESSEE, in the form of a deduction from LESSOR's cartage sheets.
- In the event LESSOR fails to submit sufficient written fuel purchase receipts, LESSEE may unilaterally deduct from LESSOR's settlement an amount estimated by LESSEE to be approximately equal to LESSOR's share of LESSEE's potential tax liability resulting from such failure, which deducted amount shall be non-refundable.

L. **Copies of the Agreement:**

An original and two (2) copies are to be signed.

- LESSEE is to retain the original.
- One copy is to be kept in the LESSOR's equipment.
- One copy is to be kept by the LESSOR.

M. **Cancellation:**

1. LESSOR shall have the right to terminate this Agreement by giving thirty (30) days prior written notice to LESSEE, but said right may not be exercised by LESSOR until any and all sums due to LESSEE from LESSOR under purchase sale agreement of even date have been paid in full to LESSEE. LESSOR shall not operate the said vehicle upon the public streets and highways until LESSEE's name and identification and color combination scheme have been removed from said vehicle; and, in this connection, upon termination LESSOR shall deliver said leased equipment to LESSEE and LESSEE shall have the right (at LESSEE's sole cost and expense) to paint such portion of leased equipment as it may desire in order to remove LESSEE's name, identification, and standard color scheme from said vehicle. The LESSEE shall be responsible for identifying the equipment in accordance with applicable regulations and for removing such identification upon termination of this Agreement.

2. Upon failure of LESSOR to comply with any of the rules and regulations here in above specified in this Agreement, or to keep the equipment in good condition, LESSEE may forthwith cancel this Lease Agreement, anything herein stated to the contrary notwithstanding.

N. **Prior Agreements:**

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This Agreement supersedes any other agreement between the parties hereto, whether written or verbal, and contains the full agreement between LESSEE and LESSOR. This Agreement may not be modified except in writing in a document executed by both parties.

IN WITNESS WHEREOF the parties have hereunto set forth their hands and seals this fourth day of September, 2001.

John A. Smith

BULKMATIC TRANSPORT COMPANY

By: ______________________
Fred J. Flaxmayer

Title: V.P. of Finance

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RECEIPT FOR POSSESSION OF EQUIPMENT

This is to acknowledge receipt of the following equipment which is to be leased:

Unit No.	Serial No.	Make	Year
2856	1XKWDB9X9WJ773583	Kenworth	1998

This transaction has taken place:

At: Bulkmatic Transport Company
2001 N. Cline Avenue
Griffith, IN 46319

Date: September 4, 2001

Time: 3:01 PM

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, this fourth day of September, 2001, at Bulkmatic Transport Company.

John A. Smith

[signature]

BULKMATIC TRANSPORT COMPANY

By: [signature]
Fred J. Flaxmayer

Title: V.P. of Finance

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8/30/01

Escrow Fund Addendum

This Escrow Fund Addendum, made and entered into by and between , the owner (hereinafter called "LESSOR"), and Bulkmatic Transport Company, an Illinois Corporation (hereinafter called "LESSEE").

WITNESSETH:

WHEREAS, there exists a valid and enforceable Lease Agreement between LESSEE and LESSOR (hereinafter called "Lease Agreement"); and

WHEREAS, paragraph H of the Lease Agreement provides for the creation of an escrow fund by the parties; and

WHEREAS, it is the desire of LESSEE and LESSOR to create such escrow fund, and by this instrument do hereby create such escrow fund;

NOW, THEREFORE, LESSEE and LESSOR hereby agree as follows:

1. LESSOR agrees to deposit with LESSEE and keep on deposit with LESSOR, the sum of ONE THOUSAND DOLLARS ($1,000.00) for each piece of motor vehicle equipment leased to LESSEE under the Lease Agreement.

2. Such deposit shall be held in escrow by LESSEE on LESSOR's account for the purpose of BEING THE INSURANCE DEDUCTIBLE AMOUNT AS MENTIONED IN PARAGRAPH F, ITEM 2 and PARAGRAPH G, ITEM 1 of the Lease Agreement.

3. LESSOR agrees that all such deposits may be retained by LESSEE until such time as LESSOR has fully complied with and performed any and all of its obligations under the terms of the Lease Agreement.

4. The escrow fund shall be under the exclusive control of LESSEE. LESSOR shall be provided with a regular periodic accounting of all transactions relating to the escrow fund. Also, LESSOR shall have the right to receive an accounting for transactions involving the escrow fund at any time on request.

5. Upon termination of the Lease Agreement, LESSEE will return the escrow fund balance to LESSOR within forty-five (45) days of such termination, after first deducting monies for those obligations incurred by LESSOR under the Lease Agreement. LESSEE shall furnish a final accounting to LESSOR of all such final deductions. No right to demand or receive the balance due or claimed hereunder shall accrue to LESSOR until the expiration of the aforesaid forty-five (45) day period.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, this fourth day of September, 2001.

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John A. Smith
[signature]
____

BULKMATIC TRANSPORT COMPANY

By: [signature] ______________________________
Fred J. Flaxmayer

Title: V.P. of Finance

Please check one of the following:

_____ 20 weekly installments of $50.00 each, beginning ____________________.

_____ 1 installment of $1,000.00 on _________________________.

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